



City of Killeen

Legislation Details (With Text)

File #: RS-18-106 **Version:** 1 **Name:** Rental Car Lease Agreements-KFHRA
Type: Resolution **Status:** Passed
File created: 11/19/2018 **In control:** City Council
On agenda: 12/11/2018 **Final action:** 12/11/2018
Title: Consider a memorandum/resolution to approve the Killeen Fort Hood Regional Airport rental car agreements.
Sponsors: Aviation Department
Indexes:
Code sections:
Attachments: 1. Staff Report, 2. Avis Agreement, 3. Alamo Agreement, 4. Clearwater Agreement, 5. Enterprise Agreement, 6. Hertz Agreement, 7. Certificate of Interested Parties, 8. Presentation

Date	Ver.	Action By	Action	Result
12/11/2018	1	City Council	Approved	Pass
12/4/2018	1	City Council Workshop		

Consider a memorandum/resolution to approve the Killeen Fort Hood Regional Airport rental car agreements.

DATE: **December 4, 2018**

TO: **Ronald L. Olson, City Manager**

FROM: **Matthew Van Valkenburgh A.A.E., Executive Director of Aviation**

SUBJECT: APPROVAL OF RENTAL CAR LEASE AGREEMENTS FOR KILLEEN FORT HOOD REGIONAL AIRPORT

BACKGROUND AND FINDINGS:

The Killeen-Fort Hood Regional Airport leases retail facilities in the terminal building to various businesses to provide appropriate services to the public as well as to provide revenue sources for the airport enterprise fund. The existing rental car leases were approved in 2011 for a five (5) year term and, per that agreement, an additional two (2) years through September 2018.

The Airport began negotiations with the rental cars in summer 2018, and based upon the age and scope of the existing agreement, developed, with a consultant, an up-to-date agreement which is industry standard. Staff released Bid 19-06 in October 2018 and received bid packages in November 2018 from Avis Budget Car Rental LLC, Clearwater Transportation, Ltd., EAN Holdings, LLC d/b/a Enterprise Rent-A-Car Company, EAN Holdings, LLC d/b/a Alamo Rent a Car and National Car Rental, and The Hertz Corporation. All bid packages are in compliance with bid requirements and all bidding companies are eligible to execute agreements to operate at the Airport. The new agreement is for a single term of five (5) years with no extensions and will commence on January 1, 2019.

THE ALTERNATIVES CONSIDERED:

Alternatives considered: (1) approve the agreements, or (2) do not approve the agreements.

Which alternative is recommended? Why?

Staff recommends alternative 1. Approval of the agreements will provide (1) continued exceptional rental car service for Airport customers, and (2) a consistent revenue source for the Airport for the next (5) years

CONFORMITY TO CITY POLICY:

Yes

FINANCIAL IMPACT:

Total annual revenue to the Killeen-Fort Hood Regional Airport Enterprise Fund represented by these lease agreements is approximately \$800,000 in account number 525-0000-324.05-05 AIRPORT RENT & CONCESSION/RENTAL CARS, and \$450,000 in account number 526-0000-324.52-00 CUSTOMER FACILITY CHARGES.

What is the amount of the expenditure in the current fiscal year? For future years?

N/A

Is this a one-time or recurring expenditure?

N/A

Is this expenditure budgeted?

N/A

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

N/A

RECOMMENDATION:

Council approve the rental car agreements with the aforementioned companies and authorize the City Manager or designee to execute same as well as any and all amendments as allowed per federal, state, or local law.

DEPARTMENTAL CLEARANCES:

Finance
Legal

ATTACHED SUPPORTING DOCUMENTS:

Avis Agreement
Alamo Agreement
Clearwater Agreement
Enterprise Agreement
Hertz Agreement
Certificate of Interested Parties